

## Message Text

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41

ORIGIN TRSE-00

INFO OCT-01 EUR-25 EA-11 ISO-00 SPC-03 SAM-01 AID-20 EB-11

NSC-10 RSC-01 CIEP-02 SS-20 STR-08 OMB-01 CEA-02

CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12

LAB-06 SIL-01 PA-04 PRS-01 USIA-15 L-03 H-03 /180 R

DRAFTED BY TREASURY:PAVOLCKER:DI

APPROVED BY EB/OT/GCP:JEO'MAHONY

----- 047672

P 021640Z FEB 74

FM SECSTATE WASHDC

TO AMEMBASSY BONN PRIORITY

AMEMBASSY LONDON PRIORITY

AMEMBASSY PARIS PRIORITY

AMEMBASSY ROME PRIORITY

AMEMBASSY TOKYO PRIORITY

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E.O. 11652: N/A

TAGS: EFIN

SUBJECT: CHANGE IN EXPORT-IMPORT BANK LENDING RATE

EMBASSIES IN BONN, LONDON, PARIS, ROME, AND TOKYO ARE REQUESTED TO CONVEY THE FOLLOWING MESSAGE FROM UNDER SECRETARY OF TREASURY FOR MONETARY AFFAIRS PAUL A. VOLCKER TO MESSRS. POEHL, MITCHELL, PIERRE BROSSOLETTE, PALUMBO, INAMURA RESPECTIVELY AS SOON AS POSSIBLE MONDAY MORNING OR EARLIER IF CONVENIENT. QUOTE: CONSISTENT WITH OUR EARLIER DISCUSSIONS IN NAIROBI AND ROME WE ARE RAISING THE LENDING RATE ON EXIM BANK DIRECT CREDITS FROM 6 PERCENT TO 7 PERCENT, A LEVEL RELATED TO THE CURRENT COSTS OF U.S. GOVERNMENT BORROWING. WE ANTICIPATE THIS WILL BRING THE MINIMUM "BLENDED" RATE FOR MEDIUM TERM LOANS, TAKING ACCOUNT OF PRIVATELY FINANCED PORTION, TO WELL LIMITED OFFICIAL USE

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OVER 8 PERCENT. OBVIOUSLY, ONE CRITICAL FACTOR IN THIS

DECISION IS THE EXPECTATION THAT OTHERS WITH COMPARABLE  
RATES WILL ALSO BE INCREASING THEIR RATES COMPARABLY,  
JUST AS WE WERE ENCOURAGED TO ACT BY MORE LIMITED MOVES  
BY SOME OTHERS IN RECENT WEEKS. THE SUSTAINABILITY OF  
OUR ACTION OVER TIME IS RELATED TO WHETHER THIS OCCURS.  
WE RECOGNIZE OTHER ELEMENTS IN EXPORT CREDITS NEED  
REVIEW TO AVOID MUTUALLY SELF-DEFEATING ACTIONS AND LOOK  
FORWARD TO FURTHER DISCUSSION OF THESE POINTS. UNQUOTE.  
KISSINGER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BANK LOANS, INTEREST RATES, DEBT REPAYMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 02 FEB 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE022573  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** PAVOLCKER:DI  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740259/aaaacdqf.tel  
**Line Count:** 70  
**Locator:** TEXT ON-LINE  
**Office:** ORIGIN TRSE  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** morefirh  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 18 APR 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <18 APR 2002 by elyme>; APPROVED <03 JUN 2002 by morefirh>  
**Review Markings:**

Declassified/Released  
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EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CHANGE IN EXPORT-IMPORT BANK LENDING RATE EMBASSIES IN BONN, LONDON, PARIS, ROME, AND TOKYO ARE  
**TAGS:** EFIN, US, XMB  
**To:** BONN MULTIPLE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005